

State of Alaska FY2003 Governor's Operating Budget

Department of Environmental Conservation Prevention and Emergency Response Component Budget Summary

Component: Prevention and Emergency Response

Contact: Brad Hahn, Program Manager

Tel: (907) 269-7548 **Fax:** (907) 269-7648 **E-mail:** brad_hahn@envircon.state.ak.us

Component Mission

Protect public safety, public health and the environment by preventing and mitigating the effects of oil and hazardous substance releases and ensuring their cleanup through government planning and rapid response.

Component Services Provided

- Rapidly respond to protect the public and environmental resources from the effects of the more than 2,000 spills of oil and hazardous substances that occur in Alaska in every year.
- Oversee or conduct response actions to ensure that all spills are cleaned up as quickly as possible to minimize the damage to public health and the environment.
- Maintain a statewide network of resources to allow the quickest and most effective response possible to all spills of oil and hazardous substances in Alaska.

Component Goals and Strategies

- 1) **PREVENT OIL AND HAZARDOUS SUBSTANCE SPILLS.**
 - Prevent and reduce the occurrence of oil spills and hazardous substance releases through education and technical assistance to industry and the public.
 - Prevent spills from home heating oil tanks through implementation of a targeted public outreach program.
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- 2) **BE PREPARED TO RESPOND TO OIL AND HAZARDOUS SUBSTANCE SPILLS.**
 - Improve overall statewide spill response preparedness and response by incorporating local community response capabilities (through formal community spill response agreements between the department and communities), and pre-positioning response equipment for use by locally trained personnel.
 - Maintain, update and improve statewide and regional spill response plans.
 - Maintain and enhance the statewide hazardous materials response capability through continued improvements in the statewide hazmat response team status, as well as improving local community preparedness.
 - Conduct joint training and discharge exercises.
 - Maintain and improve statewide staff mobilization and logistical support functions to ensure prompt and effective state response.
- 3) **CLEAN UP OIL AND HAZARDOUS SUBSTANCE SPILLS.**
 - Ensure the safety of persons involved, responding or exposed from the immediate effects of spill incidents.
 - Ensure protection of public health and welfare from the direct or indirect effects of contamination of drinking water, air and food.
 - Ensure protection of the environment, natural and cultural resources, and biota from the direct or indirect effects on contamination.
 - Ensure assessment of contamination and damage and restoration of property, natural resources and the environment.

Key Component Issues for FY2002 – 2003

Enhance spill prevention and response oversight of industry prevention practices and provide immediate response in the event of a spill in selected areas of the state.

Coordinate the spill response corps recruitment and training process to enhance the state's spill response capabilities by identifying, recruiting, and training State staff outside the program, division, and department.

Reverse the trend in the number of spills caused by home heating oil tanks through a spill prevention initiative that

provides statewide education and technical assistance to homeowners, financial institutions, construction firms, and the fuel delivery industry.

Major Component Accomplishments in 2001

- Developed an initiative for implementation in FY 2002 to educate homeowners, fuel distributors, financial institutions, and others on prevention methods to reduce spills from home heating oil tanks.
- Provided non-regulatory technical assistance visits to facilities that use extremely hazardous substances and conducted visits to six facilities in the Bristol Bay area.
- Negotiated additional community spill response agreements with several communities and pre-positioned additional response equipment containers in communities for immediate access in the event of an oil spill.
- Published the Oil and Hazardous Substance Release Subarea Contingency Plans for Bristol Bay, Northwest Arctic and Western Alaska; all ten subareas of Alaska now have completed plans to assist emergency response efforts.
- Participated in the North Slope Mutual Aid, Valdez Marine Terminal, Southeast National Preparedness for Response Exercise Program (NPREP), Trans-Alaska Pipeline Lower River spill response drills, and several other smaller drills.
- Co-sponsored and participated in hazardous substance release training and exercises in Fairbanks, Whittier, Nenana, and Bristol Bay, increasing the awareness of local hazards and knowledge of proper immediate response actions.
- Completed a comprehensive interagency review of the Alaska Incident Management System Guide for Oil and Hazardous Substance Response and published a pocket-sized version of the guide for standardized and efficient response.
- Responded safely, without any major injuries or fatalities to persons involved in responses.
- Responded to 529 oil spills and 82 hazardous substance releases, ensuring rapid and efficient cleanup of sites presenting the greatest environmental threats resulting in protection of drinking water, reduction in wildlife impacts, and rapid restoration of surface biota and habitats.

Statutory and Regulatory Authority

AS 46.04, AS 46.08, AS 46.09, AS 46.13, 18 AAC 75

Prevention and Emergency Response

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|----------------------------------|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 2,297.5 | 2,267.8 | 2,382.5 |
| 72000 Travel | 178.9 | 220.0 | 240.0 |
| 73000 Contractual | 563.3 | 461.8 | 610.8 |
| 74000 Supplies | 96.2 | 81.4 | 81.9 |
| 75000 Equipment | 20.5 | 104.4 | 116.2 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 3,156.4 | 3,135.4 | 3,431.4 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 0.0 | 0.0 | 244.0 |
| 1052 Oil/Hazardous Response Fund | 3,156.4 | 3,135.4 | 3,187.4 |
| Funding Totals | 3,156.4 | 3,135.4 | 3,431.4 |

Prevention and Emergency Response

Proposed Changes in Levels of Service for FY2003

Alaska is experiencing a significant increase in the level of oil and gas exploration and development. Areas west of the Kuparuk River in the National Petroleum Reserve Alaska are being aggressively explored. During the winter of 2001-2002, 45 exploration wells are planned, versus 26 last year and 8 the year before. Oil companies from outside Alaska are moving forward with plans to drill in the foothills of the Brooks Range. Exploration and development of Cook Inlet reserves is increasing as the result of significant recent discoveries. New seismic technology that has a high exploratory drilling success rate is spurring interest to conduct re-exploration of existing oil and gas production areas and may lead to additional exploratory drilling and development. The Minerals Management Service is proceeding with plans to hold lease sales in the offshore frontier areas of the Beaufort Sea, Chuckchi Sea, Norton Sound, and Cook Inlet during the next five years (2002 - 2007). Additional state and federal acreage on the North Slope and Cook Inlet will be leased for oil and gas exploration. Significant interest in the development of potential shallow natural gas and coalbed methane deposits exists and is increasing. The state has so far authorized exploration for these new resources in Northwest Alaska, the Tanana Basin, and on the Kenai Peninsula.

DEC is not keeping pace with the current level of oil and gas activities in Alaska and cannot keep up with the expected increased level of exploration and development activities.

- Oil and gas facilities are seldom inspected for compliance with state environmental laws.
- The effects of oil and gas waste discharges to the air, land and water are not being monitored or measured.
- Too many permits are issued after long delays, uncertainty, and disagreement.
- There is little communication or collaboration with industry and concerned stakeholders on the planning and design of projects to minimize environmental problems and take advantage of opportunities to promote environmentally responsible development.

The oil safety and development initiative funds new and enhanced services in the Divisions of Spill Prevention and Response, Air and Water Quality, and Statewide Public Service. Services fall in three areas 1) environmental planning, design and consultation; 2) permitting; and 3) inspection and compliance.

Environmental Planning, Design and Consultation

DEC will:

- work proactively to identify potential environmental and public health issues early in the lease sale planning process when changes can be most effective in preventing future pollution problems.
- review plans and statements for lease sale plans to identify and avoid or mitigate potential air, land and water quality effects.
- identify and resolve potential environmental and public health issues early when changes to project designs can be most effective in preventing future pollution problems.
- identify potential improvements to streamline permit approvals.
- review and prepare a single coordinated and consolidated response.
- develop and implement assessments of the cumulative effects of oil and gas activities on Alaska's environment.
- increase its participation with stakeholder workgroups to resolve disagreements on what it means to "do it right".

Spill Prevention and Response/Prevention and Emergency Response will:

Inspection, Monitoring and Compliance

- increase the number of drills and exercises conducted to test and determine compliance with oil discharge prevention and contingency plans.
- increase the number of on-site inspections conducted to determine compliance with discharge prevention and response equipment and resource requirements, including personnel training and corrosion detection.
- investigate complaints on lack of proper oil and hazardous substance discharge prevention, preparedness, and cleanup.

- increase on-site monitoring and oversight of cleanups and field responses to significant spills.
- utilize third-party inspectors to assess leak detection and corrosion monitoring practices through term contracts.
- utilize third-party subject matter experts to assess and aid in correction of aging infrastructure-related problems through term contracts.

Summary of Component Budget Changes
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 0.0 | 0.0 | 3,135.4 | 3,135.4 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 0.0 | 0.0 | 52.0 | 52.0 |
| Proposed budget increases: | | | | |
| -Oil Safety and Development Initiative | 244.0 | 0.0 | 0.0 | 244.0 |
| FY2003 Governor | 244.0 | 0.0 | 3,187.4 | 3,431.4 |

Prevention and Emergency Response

Personal Services Information

| Authorized Positions | | Personal Services Costs | | |
|----------------------|-------------------|-------------------------|----------------------------------|------------------|
| | <u>FY2002</u> | <u>FY2003</u> | | |
| | <u>Authorized</u> | <u>Governor</u> | | |
| Full-time | 35 | 36 | Annual Salaries | 1,828,807 |
| Part-time | 0 | 0 | COLA | 45,111 |
| Nonpermanent | 0 | 0 | Premium Pay | 0 |
| | | | Annual Benefits | 610,929 |
| | | | <i>Less 4.12% Vacancy Factor</i> | (102,347) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 35 | 36 | Total Personal Services | 2,382,500 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|-------------------------------|-----------|-----------|----------|----------|-----------|
| Administrative Clerk III | 1 | 1 | 1 | 0 | 3 |
| Environ Conserv Mgr I | 1 | 0 | 0 | 0 | 1 |
| Environ Conserv Mgr III | 1 | 0 | 0 | 0 | 1 |
| Environmental Spec II | 3 | 2 | 1 | 1 | 7 |
| Environmental Spec III | 4 | 4 | 5 | 4 | 17 |
| Environmental Spec IV | 3 | 1 | 1 | 0 | 5 |
| Environmental Tech II | 1 | 0 | 0 | 0 | 1 |
| Stock & Parts Svcs Journey II | 1 | 0 | 0 | 0 | 1 |
| Totals | 15 | 8 | 8 | 5 | 36 |